



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Montgomery County Agricultural Society
Montgomery County
580 Calumet Lane
Dayton, Ohio 45417

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Montgomery County Agricultural Society (the Society), on the receipts, disbursements and balances recorded in the Society's cash basis accounting records for the years ended November 30, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Society. The Society is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended November 30, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Society. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This report only describes exceptions exceeding \$10.

Cash

1. We recalculated the November 30, 2019 and November 30, 2018 bank reconciliations. We found no exceptions.
2. We agreed the December 1, 2017 beginning fund balances recorded to the November 30, 2017 balances in the prior year audited statements. We found no exceptions. We also agreed the December 1, 2018 beginning fund balances recorded to the November 30, 2018 balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the November 30, 2019 and 2018 fund cash balance reported in the Balance Sheet and the financial statements filed by the Society in the Hinkle System. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the November 30, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the November 30, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent December and January bank statements. We found five exceptions. None of the reconciling debits cleared the bank in December or January.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to November 30. There were no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of five receipts from the Distribution Transaction Detail Report (State DTL) and the County Auditor's Cash Payments to Specific Vendors Report from 2019 and a total of five from 2018.
 - a. We compared the amount from the above named reports to the amount recorded in the Cash Receipts Journals. The amounts agreed.
 - b. We inspected the Cash Receipts Journals to determine these receipts were allocated to the proper account codes. We found no exceptions.
 - c. We inspected the Cash Receipts Journals to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We agreed the \$245,000 from the Ohio Department of Natural Resources during the year ending November 30, 2019 to the grant agreement from the Ohio Department of Natural Resources. We found no exceptions.
 - a. We inspected the Cash Receipts Journal to determine whether the receipt was allocated to the proper account code. We found no exceptions.
 - b. We inspected the Cash Receipts Journal to determine whether the receipt was recorded in the proper year. We found no exceptions.
3. We agreed the \$1,500,000 from Premier Health and \$1,500,000 from the University of Dayton during the year ending November 30, 2018 to the Purchase Agreement and Closing Statement for the sale of property. We found no exceptions.
 - a. We inspected the Cash Receipt Journal to determine whether these receipts were allocated to the proper account code. We found no exceptions.
 - b. We inspected the Cash Receipt Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the \$218,632 and \$31,926 from the Montgomery County Transportation Improvement District during the year ending November 30, 2018 with the Montgomery County Transportation Improvement District. We found no exceptions.
 - a. We inspected the Cash Receipt Journal to determine whether these receipts were allocated to the proper account code. We found no exceptions.
 - b. We inspected the Cash Receipt Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.

Admission/Grandstand Receipts

We selected one day of admission/grandstand cash receipts from the year ended November 30 2018 recorded in the Cash Receipts Journal and agreed the receipt amount to the supporting documentation (ticket recapitulation sheets/cash register tapes, etc.).

For July 15, 2018, the amount recorded in the receipts ledger for July 15, 2018 was \$18,197.

- a. The ticket sales recapitulation reported 3,690 tickets sold on that date.
- b. The admission price per ticket was \$5.
- c. Therefore the recapitulation sheet multiplied by the admission price supports admission receipts of \$18,450 for July 15, 2018, which exceeds the amount recorded by \$253.

Rental Receipts

We selected 10 rental cash receipts from the year ended November 30, 2019 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Cash Receipts Journal. The amounts agreed.
- b. Agreed the rate charged with rates in force during the period. We found no exceptions.

- c. Inspected the Cash Receipts Journal to determine whether the receipt was recorded in the proper year. We found no exceptions.

Debt

1. The prior audit documentation disclosed no debt outstanding as of November 30, 2017.
2. We inquired of management, and inspected the receipt and expenditure records for evidence of loan or credit agreements, and bonded, note, County, or mortgage debt issued during 2019 or 2018 or debt payment activity during 2019 or 2018. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of debt service payments owed during 2019 and agreed these payments from the Cash Disbursements Journal to the related debt amortization schedules. We also compared the date the debt service payments were due to the date the Society made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Cash Receipts Journal. The amounts agreed.
5. For new debt issued during 2019, we inspected the debt legislation, noting the Society must use the proceeds to build a barn and complete paving work. We inspected the expenditure ledger and observed the Society purchased barn materials in August of 2019 and paid paving costs in August of 2019.
6. We inquired of management, inspected the receipt ledger, and the prior audit report to determine whether the Society had loan or credit agreements outstanding from a prior year or obtained a loan or credit line in 2019 or 2018 as permitted by Ohio Rev. Code Section 1711.13(B). We recalculated the Society's computation supporting that the total net indebtedness from loans and credit did not exceed twenty-five percent of its annual revenues. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2019 and one payroll check for five employees from 2018 from the Payroll Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended November 30, 2019 to confirm remittances were timely paid, and that the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2019. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2020	January 2, 2020	\$455	\$455
State income taxes	January 31, 2020	January 30, 2020	\$230	\$230
School District income tax	January 30, 2020	January 30, 2020	\$79	\$79

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Cash Journal Report for the year ended November 30, 2019 and 10 from the year ended November 30, 2018 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Cash Journal Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. Based on the nature of the expenditure, the account coding is reasonable. We found no exceptions.

Sunshine Law Compliance

1. We obtained and inspected the Society's Public Records Policy to determine the policy did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We inquired with Society management and determined that the Society did not have any completed public records requests during the engagement period.
3. We inquired with Society management and determined that the Society did not have any denied public records requests during the engagement period.
4. We inquired with Society management and determined that the Society did not have any completed public records requests during the engagement period.
5. We inquired whether the Society has a records retention policy, and observed that it is readily available to the public. We found no exceptions.
6. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager. We found no exceptions.
7. We inspected the Society's policy manual and determined the public records policy was included. We found no exceptions.
8. We observed that the Society's poster describing their Public Records Policy was displayed conspicuously in all branches of the Society. We found no exceptions.

9. We inquired with Society management and determined that the Society did not have any applications for record disposal submitted to the Records Commission during the engagement period.
10. We inquired with Society management and determined that the Society did not have any elected officials subject to the Public Records Training requirements during the engagement period.
11. We inspected the public notices for the public meetings held during the engagement period and determined the Society notified the general public and news media of when and where meetings during the engagement period are to be held. We found no exceptions.
12. We inspected the minutes of public meetings during the engagement period and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
13. We inspected the minutes from the engagement period and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires Societies to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies, regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Entity filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended November 30, 2019 and 2018 in the Hinkle system. There were no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination, or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Society's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Montgomery County Agricultural Society
Montgomery County
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Page 6

This report is to provide assistance in the evaluation of the Society's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended November 30, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber
Auditor of State
Columbus, Ohio

May 5, 2020

OHIO AUDITOR OF STATE
KEITH FABER



MONTGOMERY COUNTY AGRICULTURAL SOCIETY

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 21, 2020**